

SENATE BILL

No. 2

Introduced by Senator Alarcon

January 17, 2001

An act to amend Sections 382, 739.1, and 2790 of, and to add Section 382.1 to, the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 2, as introduced, Alarcon. Public utilities.

Existing law requires the Public Utilities Commission to establish a program of assistance to low-income electric and gas customers, which is referred to as the California Alternate Rates for Energy or CARE program.

This bill would establish the Low-Income Oversight Board for the purpose of monitoring and evaluating the implementation of low-income programs. The bill would require, beginning in 2002, the Low-Income Oversight Board to conduct a comprehensive needs assessment of both program implementation and the effectiveness of specific energy efficiency services on a periodic basis.

The bill would require the commission to establish the CARE discount at 30% and establish eligibility for individuals with incomes at or below 200% of the state poverty level or 60% of the state median income, whichever is higher. The bill would authorize the commission to increase the level of the discount or lower the eligibility level based on an assessment of customer need.

The bill would require public utility electrical and gas corporations to establish 95% penetration goals to increase participation in CARE. The bill would require the commission to adjust the current CARE

balancing account of the utilities to ensure for maximum efficiency and greater program outreach.

The bill would require public utility electrical corporations to work with public utility telephone corporations to streamline the eligibility for low-income rate programs and would require that customers already enrolled in the Universal Lifeline Telephone Services program be automatically enrolled in the CARE program and be given the option to opt out of the program.

The bill would require weatherization programs to use the needs assessment conducted by the Low-Income Oversight Board to maximize efficiency of delivery.

Because a violation of the Public Utilities Act is a crime, this bill would change the definition of that crime by adding new requirements for electric utilities, thereby imposing a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The bill would result in a change in state taxes for the purpose of increasing state revenues within the meaning of Section 3 of Article XIII A of the California Constitution, and this would require for passage the approval of $\frac{2}{3}$ of the membership of each house of the Legislature.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 382 of the Public Utilities Code is
2 amended to read:

3 382. (a) Programs provided to low-income electricity
4 customers, including, but not limited to, targeted
5 energy-efficiency services and the California Alternative Rates for
6 Energy Program shall be funded at not less than 1996 authorized
7 levels based on an assessment of customer need. The commission
8 shall allocate funds necessary to meet the low-income objectives
9 in this section.

10 (b) Beginning in 2002, an assessment of need shall be
11 conducted periodically by the Low-Income Oversight Board



pursuant to Section 382.1 to enhance program delivery and ensure that funding adequately reflects low-income electricity customers' energy expenditures, hardship, and economic burdens.

SEC. 2. Section 382.1 is added to the Public Utilities Code, to read:

382.1. (a) A Low-Income Oversight Board shall be established and comprised of low-income community experts, members of the Governor's staff, designated representatives of the commissioner, employees of the Department of Community Services and Development, and the public utility electric corporations for the purpose of all of the following:

(1) Overseeing the development of an assessment of customer need.

(2) To ensure a comprehensive needs assessment is conducted of both program implementation and the effectiveness of specific energy efficiency services on a periodic basis.

(3) To ensure the most effective and efficient implementation of programs that provide assistance to low-income electricity customers.

(b) The Low-Income Oversight Board shall report directly to the Legislature and the members of the commission, but shall act independently from the commission.

(c) The commission shall provide technical support to the Low-Income Oversight Board.

SEC. 3. Section 739.1 of the Public Utilities Code is amended to read:

739.1. (a) The commission shall establish a program of assistance to low-income electric and gas customers, the cost of which shall not be borne solely by any single class of customer. The program shall be referred to as the California Alternate Rates for Energy or CARE program. *The commission shall establish the CARE discount at 30 percent. Eligibility shall be established for individuals with incomes at or below 200 percent of the state poverty level or 60 percent of the state median income, whichever is higher. The commission may increase the level of the discount or lower the eligibility level based on an assessment of customer need.*

(b) *Public utility electric and gas corporations shall establish 95 percent penetration goals to increase program participation. The commission shall adjust the current CARE balancing account*

1 corporation to ensure for maximum efficiency and greater
2 program outreach.

3 (c) Public utility electric corporations shall work with public
4 utility telephone corporations to streamline the eligibility for
5 low-income rate programs. Customers already enrolled in the
6 Universal Lifeline Telephone Services program shall
7 automatically be enrolled in the CARE program. Customers who
8 are automatically enrolled in the CARE program may choose to
9 opt out of the program. The commission shall work with public
10 utilities to meet the low-income objectives in this section.

11 (d) The commission's program of assistance to ~~low-income~~
12 low-income electric and gas customers shall, as soon as
13 practicable, include nonprofit group living facilities specified by
14 the commission, if the commission finds that the residents in these
15 facilities substantially meet the commission's low-income
16 eligibility requirements and there is a feasible process for
17 certifying that the assistance shall be used for the direct benefit,
18 such as improved quality of care or improved food service, of the
19 low-income residents in the facilities. The commission shall
20 authorize utilities to offer discounts to eligible facilities licensed
21 or permitted by appropriate state or local agencies, and to facilities,
22 including women's shelters, hospices, and homeless shelters, that
23 may not have a license or permit but provide other proof
24 satisfactory to the utility that they are eligible to participate in the
25 program.

26 SEC. 4. Section 2790 of the Public Utilities Code is amended
27 to read:

28 2790. (a) The commission shall require an electrical or gas
29 corporation to perform home weatherization services for
30 low-income customers, as determined by the commission under
31 Section 739, if the commission determines that a significant need
32 for those services exists in the corporation's service territory,
33 taking into consideration both the cost effectiveness of the services
34 and the policy of reducing the hardships facing low-income
35 households.

36 (b) (1) For purposes of this section, "weatherization" may
37 include, where feasible, any of the following measures for any
38 dwelling unit:

39 (A) Attic insulation.

40 (B) Caulking.

1 (C) Weatherstripping.

2 (D) Low flow showerhead.

3 (E) Waterheater blanket.

4 (F) Door and building envelope repairs that reduce air
5 infiltration.

6 (2) The commission shall direct any electrical or gas
7 corporation to provide as many of these measures as are feasible
8 for each eligible low-income dwelling unit.

9 (c) “Weatherization” may also include other building
10 conservation measures, energy-efficient appliances, and energy
11 education programs determined by the commission to be feasible,
12 taking into consideration for all measures both the cost
13 effectiveness of the measures as a whole and the policy of reducing
14 energy-related hardships facing low-income households.

15 (d) *Weatherization programs shall use the needs assessment*
16 *pursuant to Section 382.1 to maximize efficiency of delivery.*

17 SEC. 5. No reimbursement is required by this act pursuant to
18 Section 6 of Article XIII B of the California Constitution because
19 the only costs that may be incurred by a local agency or school
20 district will be incurred because this act creates a new crime or
21 infraction, eliminates a crime or infraction, or changes the penalty
22 for a crime or infraction, within the meaning of Section 17556 of
23 the Government Code, or changes the definition of a crime within
24 the meaning of Section 6 of Article XIII B of the California
25 Constitution.

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